

**REQUEST FOR PROPOSALS FOR
LOTTERY DRAWING SHOW PRODUCTION AND TELEVISIONING
SERVICES**

Tennessee Education Lottery Corporation
Plaza Tower, MetroCenter
200 Athens Way
Nashville, Tennessee 37228

JANUARY 26, 2004

**REQUEST FOR PROPOSAL FOR
LOTTERY DRAWING SHOW PRODUCTION AND TELEVISION SERVICES**

A. PURPOSE

The Tennessee Education Lottery Corporation (“TEL”) is requesting proposals from television stations which are duly licensed in the State of Tennessee (“Station”) which will produce the “Drawing” (as hereinafter defined) game shows (the “Drawing Game Shows”) and which will televise the Drawing Shows in the Nashville Metropolitan area. Among other things, Station shall be required to perform the production and related activities set forth in Exhibit A attached hereto and incorporated herein.

B. GENERAL INFORMATION AND SCHEDULE

This Request For Proposals (“RFP”) has been issued on Monday, January 26, 2004.

Questions and requests for clarifications relating to this RFP must be directed to the TEL’s RFP Coordinator. The RFP Coordinator is to be the **sole** point of contact at the TEL for Stations effective with the date of release of this RFP and until a Station is selected to provide production and televising services. Contact with any representative of the TEL, other than the RFP Coordinator, will result in disqualification. This, however, does not preclude news coverage of TEL and TEL events; said coverage will not result in disqualification.

Ms. Jasmine Batth
RFP Coordinator
Tennessee Education Lottery Corporation
Plaza Tower MetroCenter
200 Athens Way
Nashville, TN 37228
Telephone: 615-253-1108
Facsimile: 615-253-6886

Delivery of six (6) copies of the proposal, with original signatures, to the TEL RFP Coordinator at the above address is due no later than 5:00 P.M., CST, on Monday, February 9, 2004. Proposals received by the TEL RFP Coordinator after this date and time will be rejected, WITHOUT EXCEPTION. No provisions are made for extenuating circumstances in this RFP.

Questions or clarifications related to this RFP should be in writing and sent via facsimile or hand delivered to TEL’s Television Draw Procurement Coordinator, Ms. Jasmine Batth, by **Friday, January 30, 2004 at 5:00 P.M., CST**. Every effort will be made to make responses to all such written questions available by **9:00 A.M. CST, Tuesday, February 3, 2004** at TEL headquarters. These questions and answers will thereafter be posted on the TEL’s website at TNLOTTERY.com. TEL is not liable to any Station that does not receive a copy of any such questions and answers.

After reviewing the Proposals the Evaluation Committee may decide to make site visits to the finalists. Please be prepared to receive short notice of said visits.

A contract will be awarded to the Station whose proposal is determined to be the most advantageous for the TEL, considering all the conditions set forth in this RFP, and which provides the greatest long-term benefit to the State of Tennessee, the greatest integrity for the TEL, and the best services and products for the public. The Station selected and its staff having direct contact with the TEL will be required to pass a security background check. Issuance of this RFP does not constitute a final commitment on the part of the TEL to award a contract pursuant to this RFP. The TEL reserves the right to reject any and all proposals submitted in response to this RFP, in whole or in part, and to award a contract pursuant to this RFP or cancel this RFP if it is considered to be in the best interests of the TEL. The TEL further reserves the right to make changes to this RFP at any time and from time to time by issuance of written addendum/addenda, amendment(s) or clarification(s).

C. LOTTERY BACKGROUND

Introduction

In accordance with the Tennessee Education Lottery Implementation Law, T.C.A. §§4-51-101 *et seq.* (the “Act”), the TEL was established as a vehicle to operate the State of Tennessee’s lottery. TEL is a public corporation, which is an instrumentality of the state, and not a state agency. The Act provides for the creation of a seven-member board of directors appointed by the Governor to oversee the operations of TEL. TEL is a new and exciting organization for the State of Tennessee, whose net proceeds, will help support educational programs statewide.

TEL began its sale of lottery tickets on January 20, 2004 with an established ticket retailer network of approximately 3,500 retailers throughout the state. The games currently available to the public are of the “instant game” variety (scratch-off tickets). TEL expects to quickly become an extremely successful and highly visible organization within the state. It plans to enjoy a high level of public recognition and be viewed as a leader nationally and internationally within the lottery industry.

As an integral part of its operations, TEL will require the services of a highly professional Station for its various lottery on-line Drawing Game Shows, and selected instant ticket game drawings. TEL currently expects that these drawings will be open to the public, subject to space availability, and will be televised throughout the state. TEL is in the process of determining the frequency and schedule of drawings for each of its games, and will also establish all policies, procedures, systems and controls necessary to conduct these drawings. TEL believes that the contract which will be awarded pursuant to this RFP will provide a Station with an excellent opportunity to be associated with TEL’s success, visibility and this entertaining programming.

TEL’s On-line Drawing Games

TEL plans to launch several on-line drawing games during 2004. Initially, TEL will introduce a 3-digit game by early March, followed closely by a Lotto Style game by early June. Players of these games will select a combination of numbers from a range of eligible numbers, and will participate in drawings for prizes, including a grand prize, to be held on a regular basis (e.g., daily, weekly).

TEL currently expects to conduct drawings for its 3-digit game every evening throughout the year in the 6:30 p.m. C.S.T. to 7:30 p.m. C.S.T. time period (the “Cash 3 Drawings”), and TEL currently expects to initially conduct its Lotto style drawings twice a week in the 9:30 p.m. C.S.T. to 10:30 p.m. C.S.T. time period. These drawings will be conducted at a specified time during the evening at the Station’s television production facility in the Nashville, Tennessee metropolitan area. The first on-line Drawing Game Show will occur at the launch of TEL’s on-line games. Drawings for TEL’s on-line drawing games may include some holidays. All days and times of drawings are subject to change by TEL.

TEL’s Instant Game Drawings

In addition to its on-line games, TEL launched four (4) instant games on January 20, 2004. One of these games, and possibly other instant games scheduled to be introduced later, will contain large grand prizes (e.g. \$1,000,000 cash).

Players will purchase these instant tickets and scratch-off the latex play area to reveal the prize awarded. Typically, an instant ticket which contains an “entry” prize makes the player eligible to participate in a preliminary public drawing for that game’s grand prize. To participate in the game’s public drawing, the player is required to mail his or her “entry” ticket to TEL. Once received by TEL, all “entry” tickets are stored in secured premises until drawings for the game are conducted.

Prior to each game’s public drawing, finalists are selected by TEL from the total “entry” tickets received to-date. These finalists are selected through a series of preliminary drawings. These preliminary drawings, which will probably not be required to be televised live by the Network, will usually be held at the site where the tickets are stored (located in the Nashville metropolitan area), and will occur prior to the date established for the public drawing for the purpose of selecting finalists. TEL plans to conduct its first preliminary drawing in late February 2004.

Finally, throughout the year, TEL will conduct instant game public drawings (the “Instant Ticket Drawings”) to determine grand prizewinners. Station will be required to provide live telecasts of all or a part of the public Instant Ticket Drawings for these grand prizes. TEL currently expects to have three (3) of these televised Instant Ticket Drawings during the first six (6) to nine (9) months of lottery instant ticket sales. Thereafter, the number may vary from year to year. TEL anticipates that these shows may last approximately thirty (30) minutes. The first of the public Instant Ticket Drawings may occur as early as late February, early March 2004.

Future Games and Drawings

TEL expects to continue to introduce new games and may modify its existing games based on market conditions and demand for such games. Such additional or modified games may require TEL to conduct additional or expanded Cash 3 Drawings, Cash 4 Drawings, Lotto style Drawings, Instant Ticket Drawings and other TEL lottery games drawings (collectively, the “Drawings”), including multi-jurisdiction game Drawings.

D. DRAWING GAME SHOWS

In order to minimize its expenses, and thus maximize its net revenues which are transferred to the Lottery for Education Account, TEL has a substantial interest in making the Drawing Game Shows a commercial success, while insuring the public can regularly view the Drawings live. As a result, TEL expects to exclusively own all copyrights and other proprietary rights, and all television, allied and other rights, in each of the Drawing Shows, and all portions, materials and components thereof, including, without limitation, the rights to televise, record, adapt, reproduce, transmit, televise, advertise, promote, license, syndicate or otherwise derive benefits from the Drawing Shows and all portions or parts thereof. If deemed necessary by TEL, Station, and all appropriate employees will be required to execute all documentation, assignments, registrations and similar instruments deemed necessary by TEL to transfer all such rights to TEL.

Station will be granted such rights as may be deemed necessary by TEL so that they may televise and promote the Drawing Shows as required by this RFP and any subsequent contract with TEL. All facets of the Drawings and the Drawing Shows, including procedures and scripts, shall be subject to the approval and supervision of TEL. TEL shall have the final right to determine all aspects of the format, content and all other attributes of the Drawing Shows. TEL shall have the exclusive right to determine which individuals shall appear or be featured in each Drawing Show.

E. PROMOTIONAL OFFERINGS

As stated previously, TEL believes that this RFP provides the winning Station with an excellent opportunity to be associated with TEL's success and visibility. Additionally, TEL believes that since the Drawings will be very entertaining, highly visible and will attract a large viewership base, Station's participation therein will serve to promote that Station's name and reputation. TEL would expect that Stations submitting proposals take these factors into consideration when determining the various forms of promotion for the Drawing Shows (collectively, the "Promotional Offerings") which the Station will acquire and offer to TEL, free of any charge to TEL.

TEL requires each Station to present in its proposal all of the Promotional Offerings which it shall make available to TEL for each year of the contract to be awarded pursuant hereto. Promotional Offerings may include items in any or all of the categories outlined in the following seven (7) Paragraphs of this Section F and such other items that Station agrees to provide. Stations are encouraged to be creative in the specific Promotional Offerings they will provide to TEL. In addition, each Station should provide its best estimate of the actual fair market value of each Promotional Offering in its proposal. All costs of any kind associated with any Promotional Offerings provided to TEL, its retailers or lottery players must be borne exclusively by the Station, and not TEL, its retailers or lottery players. TEL shall have final approval rights of the appearance, copy, music, pictures, graphics or other items contained in or on all Promotional Offerings. Finally, TEL reserves the right to reject any specific media outlet or type of Promotional Offering offered by Station, or to require that a different media outlet or type of Promotional Offering be utilized as long as the costs are not materially different in the aggregate.

1. Television.

Identify the specific number, frequency, duration, telecast times and minimum guaranteed gross ratings points delivered per week of all Station television Spots which promote the Drawing Shows or the Tennessee Education Lottery.

2. Radio.

Identify the specific number, frequency, duration, broadcast times and minimum guaranteed gross ratings points delivered per week, listed on a station-by-station basis, for each radio station on which the Station will purchase commercial time to promote the Drawing Shows or the Tennessee Education Lottery. Demographics, coverage area and rating information should be provided for each radio station which the Station plans to include in its Promotional Offerings.

3. Outdoor Advertising and Billboards.

Identify the specific number, frequency, duration and minimum guaranteed gross impressions per month, listed on a location-by-location basis, for all outdoor advertising and billboard buys which the Station will make to promote the Drawing Game Shows or the Tennessee Education Lottery.

4. Print Media.

Identify the specific number, frequency, duration, publication times and minimum guaranteed circulations, listed on a periodical-by-periodical basis, for each print campaign which the Station will acquire to promote the Drawing Game Shows or the Tennessee Education Lottery. Specific print media Promotional Offerings must include the local TV Guide or television programming listings in the local newspaper. Demographics, coverage area and, if available, relative ranking information, should be provided for each periodical which the Station plans to include in its Promotional Offerings.

5. Point of Sale Materials (“POS Materials”).

Identify in as great a detail as possible the number and type of POS Materials which the Station will acquire for distribution by TEL within its retailer network to promote the Drawing Shows or the Tennessee Education Lottery.

6. Promotional Items.

Identify the quantity, type and descriptions of any promotional products or merchandise which the Station will acquire for distribution by TEL to its lottery players or retailers to promote the Drawing Shows or the Tennessee Education Lottery. Such items may include, without limitation, hats, clothing, coffee mugs, pins, bumper stickers, key chains, or any other types of promotional materials.

7. Other Promotional Activities.

Stations should outline any other types of activities which it shall include in the Promotional Offerings made available to TEL to promote the Drawing Shows or the Tennessee Education Lottery. Each Station is encouraged to include creative suggestions in these areas in its proposals.

F. EQUAL OPPORTUNITY AND MINORITY PARTICIPATION

The TEL prohibits discrimination on the basis of race, color, gender, religion, national origin, or disability in connection with employment of any person, or the award of any contract with the corporation. The TEL will provide equal opportunities without regard to race, color, gender, religion, national origin, or disability, by requiring that any firm doing business with the corporation provide equal opportunity to persons and businesses employed by, or contracting with the supplier of products and services to the Corporation.

It is an overall objective of the TEL to encourage involvement by minority contractors and suppliers in business activities generated by the Corporation, while assuring that such activities will be conducted in accordance with all applicable laws. Furthermore, in accordance with the Act, it is the declared policy and intent of the Corporation to strive to maximize participation of minority owned businesses to achieve a minimum participation of fifteen percent (15%) through all business contracting opportunities. In addition the TEL will participate in promotional events in the minority community in partnership with its contractors, vendors, and retailers.

Please include within this Proposal a short narrative describing your commitment to assist the Corporation in striving to maximize participation within the minority community, including, but not limited to, proposed minority staffing and subcontracting for this production, as well as community projects Station is currently sponsoring and anticipates continuing.

G. FORM OF PROPOSAL

Each proposal must be prepared simply and economically, providing a clear description of the Station's capabilities to meet the requirements of this RFP. In order to expedite the evaluation process, respondents are required to submit their proposals in the following format:

- Section 1* Submit a completed Exhibit B, confirming the Station's ability to meet all of the requirements of this RFP.
- Section 2* Submit a short narrative as noted in Section F, above.
- Section 3* Material Matters Disclosures.
Each Station must specifically list all material litigation to which it is a party as well as any finding or plea, conviction or adjudication of guilt in a state or federal court for any felony or other criminal offense. Stations should also submit evidence of the security of its facility. Any other items which may be material to TEL, given its unique status and requirements for integrity, should be included in its proposal.

The TEL has established an Evaluation Committee that will be responsible for evaluating the proposals received from interested Stations. With the release of this RFP, the Evaluation Committee has established uniform criteria by which all proposals will be "scored". Each of the following factors will be considered in the evaluation process.

- Section 4* Gross Rating Points and Rankings.

Each Station must provide evidence of its relative viewership ranking using the NIELSEN ratings systems. Ratings and rankings should be included for each of the following time periods: (a) sign-on to sign-off; (b) 6:30 p.m. C.S.T. to 7:30 p.m. C.S.T.; and (c) 9:30 p.m. C.S.T. to 10:30 p.m. C.S.T. In addition, each Station must submit a map indicating its geographic coverage area, as well as all demographic information which is available to describe its viewer base.

Section 5 Promotional Offerings.

All Promotional Offerings which will be provided to TEL in the various categories set forth in the Paragraphs of Section E of this RFP should be listed in as much detail as possible. Stations are not necessarily required to propose Promotional Offerings corresponding to every one of the Paragraphs of Section E of this RFP; however, for each Promotional Offering that is proposed, an estimated fair market value should be included so that TEL may estimate the aggregate value of all such Promotional Offerings from each Station for purposes of comparison. Any such Promotional Offerings, which a Station has already procured or made arrangements, to procure should be disclosed, along with copies of any agreements or other evidence thereof.

Section 6 Station Televising and Production Capabilities.

A discussion of how a Station intends to satisfy each of the requirements of Exhibit A of this RFP should be included in each proposal.

Section 7 Station Background and Related Experience.

Station should list any network or other affiliations. General information regarding the Station ownership, reputation, and technical capabilities must also be disclosed.

H. PROPOSAL TENURE

All proposals will be an irrevocable offer for ninety (90) calendar days from the proposal due date.

I. PROPOSAL SIGNATURES AND PACKAGING

A representative who is authorized to contractually bind the Station must manually sign all copies of the proposal. The Station must also provide the TEL with the name, business address, business telephone number, and email address of a person who will act as the contact person for all inquiries that the TEL may have during the proposal evaluation process. Such person must be authorized to make representations for and bind the Station contractually.

J. COMPENSATION

The opportunity to air the Drawing Game Shows provides an immediate and long-term benefit to the winning Station. Therefore, TEL will require the Station to provide, at Station's expense the services outlined in this RFP at no costs to the TEL.

K. PROPOSAL DELIVERY

It is the Station's responsibility to assure that its proposal is delivered at the proper time and place, as specified in this RFP. Proposals which, for any reason, are not so delivered will not be considered by the TEL. Late proposals will not be accepted; they will be returned unopened to the responding Station. **Proposals transmitted by telegram, telephone, or fax will not be accepted.** A proposal may not be altered after delivery, unless requested by the TEL.

L. ACCEPTANCE OF PROPOSAL BY THE TEL

The TEL reserves the right to accept or reject any and all proposals and to award a contract pursuant to this RFP in the best interests of the TEL and the State of Tennessee. **The TEL also reserves the right to negotiate with any or all Station(s) in any manner necessary to serve its best interests.**

M. PROPOSALS SUBJECT TO OPEN RECORDS

All data, material and documentation originated and prepared for the TEL pursuant to this RFP shall belong exclusively to the TEL and may be available to the public in accordance with the Tennessee Open Records Act, §10-7-101. However, in accordance with T.C.A. §4-51-124, the TEL will make reasonable attempts to maintain the confidentiality of any trade secrets or proprietary information identified by a Station if such Station properly identifies the particular data or other materials which are trade secrets or proprietary information in writing by page, paragraph and sentence prior to or upon submission to the TEL of the data or other materials to be protected. The Station should also state the reasons such confidentiality is necessary. However, under no circumstance will the TEL be liable to any Station or to any other person or entity, for any disclosure of any such trade secret or confidential information. The TEL may not consider proposals in which all or a substantial portion of the proposal is declared by the Station to constitute trade secrets or confidential information.

N. ADVERTISING

In submitting a proposal, the Station agrees not to use the results thereof as a part of any commercial advertising without the prior written consent of the TEL.

O. NEWS RELEASES

The TEL is the only entity authorized to issue news releases relating to this RFP, its evaluation, and the award of any contract and performance there under. Under no circumstances shall any Station issue any such news releases without the express prior written consent of the TEL in each instance.

P. INTERPRETATIONS AND DISPUTES

Any questions concerning conditions and specifications in this RFP shall be directed in writing to the TEL RFP Coordinator. Inquiries must reference this RFP and the date delivery of the proposal is due to the TEL RFP Coordinator. No interpretation shall be considered binding unless provided in writing by the TEL through the RFP Coordinator. Any actual or prospective Station who disputes the reasonableness or appropriateness of the terms, conditions, and specifications of the RFP or any action taken by the TEL in connection with this RFP, or the contract to be awarded pursuant hereto, must first pursue and exhaust any and all remedies available to it in accordance with the dispute resolution procedures adopted by the TEL, as amended from time to time. Any appeal of any decision of the Board of Directors of the TEL

must be made in accordance with such dispute resolution procedures and §4-51-127 of the Tennessee Education Lottery Act.

Q. NONASSIGNABILITY

Any award resulting from this RFP cannot be assigned in whole or in part without the prior written approval of the TEL.

R. COSTS OF PROPOSALS

The TEL is not responsible or liable for any of the costs incurred by any Station in preparing and/or submitting a proposal pursuant to this RFP.

S. INDEPENDENCE

Each Station must disclose, in its proposal, any actual or potential conflict of interest involving TEL, its directors, employees, consultants, management personnel, vendors and major suppliers.

T. CONFIDENTIALITY

Station hereby acknowledges that in connection with the process of submitting a proposal to TEL pursuant to this RFP, and if applicable, negotiating and performing under a contract with TEL, it may receive or have access to “Trade Secrets” (as defined by applicable law) and/or “Confidential Information” (as defined by applicable law) of TEL. By submitting a proposal, Station covenants and agrees, and the contract will further require Station, to maintain the strict confidentiality of, and not to copy, transfer, use or disclose, any such Trade Secrets and Confidential Information: (a) with regard to each item constituting a Trade Secret, at all times during which such item continues to constitute a “trade secret” under applicable law; and (b) with regard to any Confidential Information, at all times during the selection process for the contract for which the Station has submitted a proposal, during the term of any contract awarded to Station, and for three (3) years after any termination of such process or contract, whichever occurs later.

U. EXCLUSIVITY

TEL expects that, during the term of its contract with Station, it is anticipated that Station will generally be the only Station in its primary market to carry the drawing Shows live; provided, however, there may be circumstances where the coverage area overlaps with the coverage area of certain Network Stations. During the term of the contract, Station shall not produce, originate or televise programs which are lottery drawing shows, other than the Drawing Shows.

V. INSURANCE

Station should set forth in its proposal, the categories of insurance which the Station maintains, and corresponding policy levels and deductibles. Station may be required to provide proof of insurance coverage prior to execution of a contract with TEL.

W. CONTRACT AND TERM

TEL will negotiate and execute a contract with the Station it selects. Subject to certain negotiated termination provisions, the initial term of the contract awarded pursuant to this RFP is currently expected to be three (3) years. TEL may, in its sole discretion, renew Station’s contract for two additional three year terms thereafter.

EXHIBIT A

TELEVISIONING PRODUCTION AND RELATED RESPONSIBILITIES

TEL will require Station to provide, at Station's expense (subject to possible partial reimbursement as discussed below), at least the services outlined in this Exhibit A. TEL shall not be liable for any of the costs or expenses (including, without limitation, all costs of labor, benefits, payroll, equipment, satellite time, sets, graphics, music, taxes, production, promotional offerings, etc.) for any of the items set forth in this Exhibit A. Station will:

1. Design, construct, maintain and refurbish the appropriate sets (the "Sets") for the Drawings, in accordance with the specifications established by, and subject to the approval of TEL. It is currently anticipated that the same Set can be utilized for each different type of Drawings. During the term of the contract, new Sets may be required from time to time, no more frequently than once during any twelve (12) month period. Sets must be in position and ready for telecast at least one (1) hour before each Drawing is aired.
2. Perform all taping, production, editing, post-production and other services necessary to create and televise the Drawing Shows, in accordance with the provisions of this RFP and such other standards, timetables and requirements as may be established by TEL from time to time. These services shall include making all necessary personnel available at all appropriate times to perform the required services pursuant to this RFP and the contract awarded thereunder. TEL currently anticipates that each on-line game Drawing Show will last between forty-five (45) seconds and ninety (90) seconds and that each instant ticket grand prize Drawing Show will last approximately thirty (30) minutes. The exact duration of each Drawing Show is subject to change from time to time by TEL.
3. Station shall provide all: (a) off-camera personnel required to assemble and disassemble the Sets, to prepare the studio and to tape and telecast the Drawing Shows; (b) an emcee, host or hostess or community representative approved by TEL (the "On-Air Talent"); and (c) on-call backup personnel for all of the above.
4. Televise all Drawing Game Shows live in the designated time slots and replay all Drawing Game Shows at times to be established by TEL. Station will also be required to repeat the winning numbers from each Drawing during the Station's evening news which immediately follows their prime time programming on the day of each Drawing. Preemption of the live telecasts of the Drawing Game Shows should be avoided except in the case of bona fide emergencies. To the extent any Station knows of any preemption or interruptions that may occur from time to time, they should be disclosed in its proposal.

If the live telecast of a Drawing Game Show must be preempted for some unforeseen reason, the corresponding Drawing will proceed and be taped at its regularly scheduled time. If Station must preempt the Drawing Game Show it must immediately crawl and continuously display for a mutually agreed upon period of time the winning numbers from

any on-line game Drawings the live telecast of which has been preempted. The taped preempted Drawing Game Show must then be telecast in its entirety at the first available time after the preemption.

In the event the designated time for a Drawing expires prior to the completion thereof, the live telecast of such Drawing Game Show shall continue uninterrupted until completed. All Drawing Shows, and the filming thereof, must be performed and conducted in accordance with such public access, security and other requirements as may be established by TEL from time to time.

5. TEL intends to select a network of Stations (collectively, the "Network Stations") to televise the Drawing Game Shows in other television markets within the State of Tennessee. Station shall purchase and arrange for all necessary satellite uplink and transmission time and facilities as may be necessary to make the Drawing Game Shows available to all Network Stations. Station may also be required to originate remote telecasts of Drawings outside the Nashville Metropolitan area at no cost to TEL. Station shall also be responsible for coordinating with all Network Stations to help insure that the feed for the Drawing Game Shows is properly received.
6. Create, record and televise TEL approved music and graphics as a part of the Drawing Game Shows.
7. Station shall provide an area within its studio that can be used as a workstation by TEL's Drawing Game Show staff and auditors. Space should be equipped with communication lines. Station shall also provide a secured storage area (approximately 100 square feet) at the studio for TEL's drawing equipment. TEL will provide the requisite security cameras for this area.
8. In its sole discretion, TEL may or may not require all or some of the Network Stations to reimburse Station for some portion of the costs incurred by the Station for the production and related services required in the contract with the Station as generally outlined in this Exhibit A hereto or otherwise agreed to by TEL (collectively, the "Production Costs"). If such a reimbursement arrangement is established in TEL's sole discretion, it is anticipated that the State of Tennessee will be divided into Areas of Dominant Influence ("ADI") and each such reimbursing Network Station will reimburse Station a percentage of the Production Costs equal to the percentage of the state's population which resides in that Network Station's ADI, all in accordance with such reimbursement procedures as may be established by TEL and the Production Station.

EXHIBIT B

TENNESSEE EDUCATION LOTTERY CORPORATION

PROPOSAL

We propose to furnish and deliver any and all of the deliverables and services named in this Request for Proposal (“**RFP**”). The terms offered herein shall apply for the period of time stated in the RFP.

We further agree to strictly abide by all of the terms and conditions contained in the RFP and the Tennessee Education Lottery Act, as amended from time to time. Any exceptions are noted in writing and included with our proposal.

It is understood and agreed that we have read the Tennessee Education Lottery Corporation’s (“**TEL’s**”) specifications shown or referenced in the RFP and that this proposal is made in accordance with the provisions of such specifications. By our written signature on this proposal, we guarantee and certify that all items included in this proposal meet or exceed any and all of the TEL specifications. We further agree, if awarded a contract, to deliver goods and services that meet or exceed the specifications.

PROPOSAL SIGNATURE AND CERTIFICATION

(Authorized representative must sign and return with proposal)

I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies, equipment, or services and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of State and Federal Law and can result in fines, prison sentences and civil damage awards. I understand and agree to abide by all conditions of the RFP and this proposal and certify that I am authorized to sign this proposal for the responding Station.

Date: _____

Authorized Signature: _____

Print Name: _____

Title: _____

Company Name: _____

NOTE: PLEASE ENSURE THAT ALL REQUIRED SIGNATURE BLOCKS ARE COMPLETED. FAILURE TO SIGN THIS FORM AND INCLUDE IT WITH YOUR PROPOSAL WILL RESULT IN REJECTION OF YOUR PROPOSAL.

